

EXHIBIT 16**Double Insured Claims**

ACM
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Multiple Causes Of Loss Under The Same Policy

In the absence of a legal requirement or business need to split-handle a first and third party claim presented under the same policy, we do not split-handle claims. It is not necessary to assign separate claim handlers or to establish separate files to handle the various claims of a single insured under the same policy.

In some areas, zone claim management may choose to split-handle claims with multiple causes of loss arising under the same policy by assigning different claim representatives (and sometimes different team managers) to handle these claims presented by one or several parties.

Example: Specialized segmentation may allow for one claim representative processing an insured passenger's first party medical claim (medical payments coverage/ personal injury protection/accident benefits (MPC)/(PIP)/(AB) while another claim representative handles that same passenger's third party liability claim against the driver of the insured vehicle.

Authorizations

An insured will often provide us with an authorization to use in adjusting an injury claim, for example MPC/PIP/AB/UM/UIM.

Information obtained with this authorization may also be needed to evaluate a third party liability claim this same insured is presenting against another insured under the same policy. Unless the authorization provided by the insured is restricted to use for specific purposes or otherwise limited for use in handling certain claims, information obtained with this authorization should be used to evaluate all of the injury claims the person is presenting as a result of the occurrence.

Permission to use information obtained for a claim under one cause of loss is not required for handling a claim under another cause of loss under the same policy.

Claim representatives should not provide medical, wage, or other confidential information to any person outside State Farm[®] unless authorized by law or presented with a valid authorization to release that information.

Litigation Involving Multiple Insureds

When litigation is initiated, there may be a need to defend multiple insureds and it may be necessary to provide separate counsel to represent the interests of different potential insureds, depending on the circumstances of the case. If one insured sues another, and a counterclaim (or a cross-claim against another insured) is filed in response, it is usually not necessary to separate the claim handling or the supervision of the litigation.

Multiple Causes of Loss under Different Policies

It is not unusual to investigate accidents where more than one person or entity is a State Farm insured. This can occur when State Farm insures more than one vehicle involved in the accident. One claim representative can effectively and efficiently handle the first party and third party liability claims presented by both insureds.

Authorizations

Unless an authorization provided by an insured is restricted to use for specific purposes or otherwise limited for use in handling certain claims, information obtained with this authorization can be used to evaluate all of the claims the authorizing person is presenting as a result of the occurrence.

Claim representatives should not provide medical, wage or other confidential information to any person outside State Farm unless authorized by law or presented with a valid authorization to release that information.

Payment Reimbursement

Occasionally it is necessary to recover funds paid under one insured's claim file from the claim file of an insured that is liable for the damages. Unless required by state statute or regulation, it is not necessary to transfer documentation from one insured's claim file to another (estimates, copies of medical bills, etc.) in order to issue payment from the liable insured's claim file. It is only necessary to verify the amount of the recoverable payment made on behalf of the not-at-fault insured. Payment should be made to the appropriate State Farm Company and the file documented accordingly. File documentation should clearly state the amounts paid for each coverage for which reimbursement is made (400, 501, 050, 600, etc.). Both files should contain the claim number of

the corresponding double insured file.

This payment reimbursement process may be handled by one claim representative reviewing both files provided both claim representatives agree that reimbursement is warranted if the claim has been split-handled. If files are split-handled, the claim representative handling the PIP or MPC claim is not authorized to effect reimbursement from the bodily injury (BI) coverage of the other file without obtaining the BI claim handler's agreement.

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Subrogation

In certain cases, the potential for UM/UIM subrogation may exist on UM/UIM claims involving more than one State Farm insured. As with all claims presented for consideration, these claims must be handled on their merits. When considering the various elements involved in determining whether to pursue UIM subrogation against the liable party who is a State Farm insured, a discussion should be held with the Claim Team Manager and the Claim Section Manager. The section manager may also need to involve the Zone Consultant in the decision making process.

For additional information:

SEE: Auto Claim Manual - [Subrogation and Reimbursement](#)

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